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General Secretariat

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WORKING PAPER

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WORKING DOCUMENT

From:	Presidency (origin: European Parliament)
To:	Friends of the Presidency Group on the External Investment Plan and the European Fund for Sustainable Development
Subject:	Proposal for a Regulation of the European Parliament and of the Council on the European Fund for Sustainable Development (EFSD) and establishing the EFSD Guarantee and the EFSD Guarantee Fund - Comparative table

In view of the Friends of the Presidency Group on EIP/EFSD on 10 May 2017, please find enclosed an updated four-column comparative table.

Proposal for a
REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
on the European Fund for Sustainable Development (EFSD) and establishing the EFSD
Guarantee and the EFSD Guarantee Fund

– COMPARATIVE TABLE –

Interinstitutional File:
2016/0281(COD)

Green: No change or preliminary agreement at technical level

Blue: Further work at technical level necessary

Orange: To be discussed at trilogue on 10 May

	Commission proposal COM(2016)0586 final	Council partial general approach 15559/16	AFET/DEVE/BUDG report A8-01709/2017	Comments
Articles				
45	CHAPTER I INTRODUCTORY PROVISIONS			
46	Article 1 Subject matter	Article 1 Subject matter	Article 1 Subject matter	No change
47	1. This Regulation establishes the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund.	1. This Regulation establishes the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund.	1. This Regulation establishes the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund.	No change
48	2. For the purposes of paragraph 1, this Regulation provides for the Commission on behalf of the Union to conclude guarantee agreements with the eligible counterparts as defined in Article 10.	2. For the purposes of paragraph 1, this Regulation provides for the Commission on behalf of the Union to conclude guarantee agreements with the eligible counterparts as defined in Article 10.	2. For the purposes of paragraph 1, this Regulation provides for the Commission on behalf of the Union to conclude guarantee agreements with the eligible counterparts as defined in Article 10.	No change
49	Article 2 Definitions	Article 2 Definitions	Article 2 Definitions	No change
50	For the purposes of this Regulation, the following definitions apply:	For the purposes of this Regulation, the following definitions apply:	For the purposes of this Regulation, the following definitions apply:	No change
51	(1) 'regional investment platforms' means blending facilities in line with Article 4 (1) e) of Regulation (EU) No 236/2014 of the European Parliament and the Council and with Article 40 of Council Regulation (EU) 2015/323 for the contribution from the 11th European Development Fund (EDF) combined with the granting	(1) 'regional investment platforms' means blending facilities in line with Article 4 (1) e) of Regulation (EU) No 236/2014 of the European Parliament and the Council and with Article 40 of Council Regulation (EU) 2015/323 for the contribution from the 11th European Development Fund (EDF) combined with the granting	(1) 'regional investment platforms' means blending facilities in line with Article 4 (1) e) of Regulation (EU) No 236/2014 of the European Parliament and the Council and with Article 40 of Council Regulation (EU) 2015/323 for the contribution from the 11th European Development Fund (EDF) combined with the granting	No change


	of the EFSD Guarantee as set out in Article 6.	of the EFSD Guarantee as set out in Article 6[...];	of the EFSD Guarantee as set out in Article 6[...];	
52	(2) 'investment window' means a targeted area for support by the EFSD Guarantee to portfolios of investments in specific regions, countries or sectors and implemented via the regional investment platforms;	(2) 'investment window' means a targeted area for support by the EFSD Guarantee to portfolios of investments in specific regions, countries or sectors and implemented via the regional investment platforms;	(2) 'investment window' means a targeted area for support by the EFSD Guarantee to portfolios of investments in specific regions, countries or sectors and implemented via the regional investment platforms;	No change
53	(3) 'contributor' means a Member State, an international financial institution or a public institution of a Member State, a public agency or other entities contributing in cash grants or in guarantees to the EFSD Guarantee Fund;	(3) 'contributor' means a Member State, an international financial institution or a public institution of a Member State, a public agency or other entities contributing in cash grants or in guarantees to the EFSD Guarantee Fund;	(3) 'contributor' means a Member State, an international financial institution or a public institution of a Member State, a public agency or other entities contributing in cash grants or in guarantees to the EFSD Guarantee Fund;	No change
54	(4) 'partner countries' means countries that are signatories to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its member States, of the other part, signed in Cotonou on 23 June 2000, countries that are listed in Annex I to Regulation (EU) No 232/2014 of the European Parliament and of the Council as well as countries that are eligible for geographic cooperation under Regulation (EU) No 233/2014 of the European Parliament and of the Council.	(4) 'partner countries' means countries that are signatories to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its member States, of the other part, signed in Cotonou on 23 June 2000, countries that are listed in Annex I to Regulation (EU) No 232/2014 of the European Parliament and of the Council as well as countries that are eligible for geographic cooperation under Regulation (EU) No 233/2014 of the European Parliament and of the Council[...];	(4) 'partner countries' means countries that are signatories to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its member States, of the other part, signed in Cotonou on 23 June 2000, countries that are listed in Annex I to Regulation (EU) No 232/2014 of the European Parliament and of the Council as well as countries that are eligible for geographic cooperation under Regulation (EU) No 233/2014 of the European Parliament and of the Council[...];	No change
55	(5) 'additionality' means the principle ensuring that the EFSD Guarantee support may not be	(5) 'additionality' means the principle ensuring that the EFSD [...] support contributes to	(5) 'additionality' means the principle ensuring that the EFSD [...] contributes to sustainable	<u>Proposal from technical level for confirmation at trilogue:</u>

	aimed at replacing the support of a Member State, private funding or another Union financial intervention, as well as that it is aimed at addressing market failures and avoiding crowding out other public or private investments.	<i>sustainable development by achieving positive results above and beyond what could have been achieved without the support. Additionality also means crowding in private sector funding, and addressing market failures or sub-optimal investment situations as well as improving the quality, sustainability, impact or scale of an investment. It may not be aimed at replacing the support of a Member State, private funding or another Union financial intervention, [...] and [...] it shall avoid crowding out other public or private investments.</i>	<i>development by operations which address market failures or sub-optimal investment situations and which could not have been carried out or could not have achieved positive results to the same extent without EFSD support [...]. The principle also requires EFSD operations to mobilise new private sector financing, that they not be aimed at replacing the support of a Member State, private funding or another Union or international financial intervention, [...] and that they avoid crowding out other public or private investments. The principle also requires that projects supported by the EFSD shall typically have a higher risk profile than the portfolio of investments supported by the eligible counterparts under their normal investment policies before the entry into force of this Regulation.</i>	(5) 'additionality' means the principle ensuring that the EFSD Guarantee support <i>contributes to sustainable development by operations which could not have been carried out without the EFSD Guarantee, or which achieve positive results above and beyond what could have been achieved without it. Additionality also means crowding in private sector funding and addressing market failures or sub-optimal investment situations as well as improving the quality, sustainability, impact or scale of an investment. EFSD Guarantee operations shall not replace the support of a Member State, private funding or another Union or international financial intervention, [...] and shall avoid crowding out other public or private investments. Projects supported by the EFSD Guarantee shall typically have a higher risk profile than the portfolio of investments supported by the eligible counterparts under their normal investment policies without the EFSD Guarantee.</i>
56	CHAPTER II EUROPEAN FUND FOR SUSTAINABLE DEVELOPMENT			
57	Article 3 Purpose	Article 3 Purpose	Article 3 Purpose	<u>Proposal from technical level for discussion / confirmation at trilogue:</u>
58	1. The purpose of the EFSD as an	1. The purpose of the EFSD [...]	1. The purpose of the EFSD as an	1. The purpose of the EFSD as an

	<p>integrated financial package shall be to support through the supply of financing capacity in the form of grants, guarantees and other financial instruments to eligible counterparts investments and increased access to financing starting in African and Neighbourhood partner countries.</p>	<p><i>shall be to contribute to the achievement of the Sustainable Development Goals of the 2030 Agenda, in particular poverty eradication and, where appropriate, contribute to the implementation of the European Neighbourhood Policy and the New Partnership Framework with Third Countries under the European Agenda on Migration, with a particular focus on sustainable, inclusive growth, decent job creation with focus on the youth and women, socio-economic sectors and on the support to micro, small and medium sized enterprises.</i></p>	<p>integrated financial package shall be to [...] <i>foster sustainable and inclusive economic and social development and promote the socio-economic resilience of partner countries by supporting investments and increased access to financing</i> through the supply of financing capacity in the form of grants, guarantees and other financial instruments to eligible counterparts, starting in African and Neighbourhood partner countries, <i>while maximising additionality, delivering innovative products and crowding in private sector funds.</i></p>	<p>integrated financial package, supplying financing capacity in form of grants, guarantees and other financial instruments to eligible counterparts, shall be to support [...] investments and increased access to financing, starting in African and Neighbourhood partner countries, in order to <i>foster sustainable and inclusive economic and social development [EP: and promote the socio-economic resilience of partner countries], with a particular focus on sustainable and inclusive growth, creation of decent jobs, youth and women, socio-economic sectors and micro, small and medium sized enterprises</i> while maximising additionality, <i>delivering innovative products and crowding in private sector funds.</i> [Council: The EFSD shall, where appropriate, contribute to the implementation of the European Neighbourhood Policy and the New Partnership Framework with Third Countries under the European Agenda on Migration.]</p>
59		<p><i>The EFSD shall thus address root causes of irregular migration and, inter alia, contribute to sustainable integration of migrants in host countries and reintegration of returned migrants in their countries of origin or transit.</i></p>		<p>[See line 60]</p>

60	2. The EFSD shall contribute to the achievement of the Sustainable Development Goals of the 2030 Agenda with a particular focus on sustainable growth, job creation, socio-economic sectors and on the support to micro, small and medium sized enterprises, thus addressing root causes of migration and contributing to sustainable reintegration of returned migrants in their countries of origin while maximising additionality, delivering innovative products and crowding in private sector funds.	2. The EFSD [...] <i>as an integrated financial package shall support, through the supply of financing capacity in the form of grants, guarantees and other financial instruments to eligible counterparts, investments and increased access to financing, primarily in Africa and the European Neighbourhood</i> , while maximising additionality [...].	2. The EFSD shall contribute to the achievement of the Sustainable Development Goals of the 2030 Agenda <i>and be guided by the objectives of Union external action set out in Article 21 of the Treaty on European Union (TEU) and of Union development cooperation policy set out in Article 208 TFEU and the internationally agreed development effectiveness principles, thus contributing to the Union's development and neighbourhood policies</i> , with a particular focus on <i>the eradication of poverty, long-term sustainable and inclusive growth, decent job creation, socio-economic sectors and on the support to micro, small and medium sized enterprises [...]. In so doing, the EFSD shall, inter alia, contribute to addressing the specific socio-economic root causes of migration and [...] foster sustainable reintegration of [...] migrants [...] returning to their countries of origin [...], as well as strengthen resilience of transit and host communities.</i>	2. The EFSD shall <i>be guided by the objectives of Union external action [EP: set out in Article 21 of the Treaty on European Union (TEU)] and of Union development cooperation policy [EP: set out in Article 208 TFEU] and the internationally agreed development effectiveness principles. It shall contribute to the achievement of the Sustainable Development Goals of the 2030 Agenda, in particular poverty eradication and, where appropriate, contribute to the implementation of the European Neighbourhood [Council: and migration policies including the New Partnership Framework with Third Countries under the European Agenda on Migration] by addressing specific socio-economic root causes of migration, [...] fostering sustainable reintegration of [...] migrants [...] returning to their countries of origin [...], and strengthening [EP: the resilience of] transit and host communities.</i>
61			<i>The EFSD shall also contribute to the implementation of the Paris Agreement by targeting investments to sectors that advance climate change mitigation and adaptation.</i>	<i>[EP: The EFSD shall also contribute to the implementation of the Paris Agreement by targeting investments to sectors that advance climate change mitigation and adaptation.]</i>
62			<i>Article 3a</i>	<i>Article 3a</i>

				To be further considered at <u>technical level</u> [subject to confirmation by Council; COM to verify legality and place]
63			<i>In the regions and countries where it operates, the EFSD shall be consistent with the objectives set out in the Union acts establishing the relevant external financing instruments and with the priorities contained in the national or regional programmes, where available.</i>	<i>In the regions and countries where it operates, the EFSD shall be consistent with the objectives set out in the Union acts establishing the relevant external financing instruments and with the priorities contained in the national or regional programmes, where available.</i>
64	Article 4 Structure of the EFSD	Article 4 Structure of the EFSD	Article 4 Structure of the EFSD	No change
65	1. The EFSD shall be composed of regional investment platforms, which will combine financing from existing blending facilities and the EFSD Guarantee.	1. The EFSD shall be composed of regional investment platforms, which will combine [...] blending facilities and the EFSD Guarantee.	1. The EFSD shall be composed of regional investment platforms, [...] <i>established on the basis of</i> existing <i>external action</i> blending facilities <i>of the Union and which shall combine their blending operations</i> and the EFSD Guarantee.	1. The EFSD shall be composed of regional investment platforms, <i>established on the basis of</i> existing <i>external action</i> blending facilities <i>of the Union and which shall combine their blending operations</i> and the EFSD Guarantee.
66	2. The management of the EFSD shall be ensured by the Commission.	2. The management of the EFSD shall be ensured by the Commission. <i>The Commission shall work in close cooperation with the European Investment Bank (EIB) as regards the operational management of the EFSD guarantee.</i>	2. The management of the EFSD shall be ensured by the Commission. <i>The Commission shall work in close cooperation with the EIB supported by the other eligible counterparts as regards the operational management of the EFSD Guarantee. To that end, a technical working group shall be established.</i>	2. The management of the EFSD shall be ensured by the Commission. <i>The Commission shall work in close cooperation with the EIB supported by the other eligible counterparts as regards the operational management of the EFSD Guarantee. To that end, a technical working group shall be established.</i>
67		<i>3. Each regional investment</i>		To be discussed at trilogue on 10

		<i>platform shall have an operational board that supports the Commission in defining regional and sectorial investment goals, regional, sectorial and thematic investment windows, formulates opinions on the blending operations and discusses the use of the EFSD Guarantee in line with the investment windows to be defined.</i>		<u>May</u> [See lines 84 and 85]
68	Article 5 Strategic board of the EFSD	Article 5 Strategic board of the EFSD	Article 5 Strategic board of the EFSD	No change
69	1. In the management of the EFSD the Commission shall be assisted by a strategic board.	1. In the management of the EFSD the Commission shall be [...] advised by a strategic board.	1. In the management of the EFSD the Commission shall be [...] advised by a strategic board.	1. In the management of the EFSD the Commission shall be [...] advised by a strategic board.
70		2. The strategic board shall advise the Commission on the strategic orientations and priorities of the EFSD Guarantee investments including indicative geographical and thematic coverage for investment windows.		[See line 71]
71	It shall provide strategic guidance and support the Commission in setting overall investment goals as regards the use of the EFSD Guarantee. The strategic board shall also support overall coordination and coherence between the regional investment platforms and with the external lending mandate operations managed by the EIB, including the EIB resilience initiative.	[...] The strategic board shall also support overall coordination, complementarity and coherence between the regional investment platforms, between the three pillars of the EIP, between the EIP and the Union's other long-term and short-term efforts on migration and, without prejudice to the internal rules of governance of the EIB , [...] with the external lending mandate operations managed by the EIB, including the EIB resilience	[...] The strategic board shall provide strategic guidance and support the Commission in setting overall investment goals as regards the use of the EFSD Guarantee, as well as in monitoring an appropriate and diversified geographical and thematic coverage for investment windows, while giving special attention to the Least-Developed Countries and fragile States. The strategic board shall ensure that EFSD	<u>To be prepared at technical level for the trilogue on 18 May</u>

		initiative <i>and the ACP Investment Facility while ensuring full complementarity.</i>	<i>operations support the strategic priorities of Union external action and development policy and, in particular, its guiding principles and objectives as provided for in Article 21 TEU and Article 208 TFEU respectively.</i>	
72			The strategic board shall also support overall coordination, complementarity and coherence between the regional investment platforms, between the three pillars of the EIP, between the EIP and the Union's other efforts on migration and on the implementation of the 2030 Agenda, as well as with Union external financing instruments and trust funds , with the external lending mandate operations managed by the EIB, including the EIB resilience initiative <i>and the ACP Investment Facility.</i>	<u>To be prepared at technical level for the trilogue on 18 May</u>
73	2. The strategic board shall be composed of representatives of the Commission and of the High Representative of the Union for Foreign Affairs and Security Policy (High Representative), of the Member States and of the EIB. The Commission may invite other contributors to become members of the strategic board having regard where appropriate to the view of the board. Partner Countries and relevant regional organisations, the	[...] 3. The strategic board shall be composed of representatives of the Commission and of the High Representative of the Union for Foreign Affairs and Security Policy (High Representative), of all the Member States and of the EIB. [...] The strategic board shall be co-chaired by the Commission and the High Representative.	2. The strategic board shall be composed of representatives of the Commission and of the High Representative [...], of the contributing Member States and of the EIB. The Commission may invite other contributors to become members of the strategic board having regard where appropriate to the view of the board. The European Parliament shall have observer status. Observers designated by the European	<u>To be discussed at trilogue on 10 May</u>

	eligible counterparts and the European Parliament may be given observer status, where appropriate. The strategic board shall be co-chaired by the Commission and the High Representative.		<i>Parliament shall have the right to fully participate in the deliberations without the right to vote. Partner [...] countries and relevant regional organisations, the eligible counterparts and [...] other stakeholders may be given observer status, where appropriate. The strategic board shall be co-chaired by the Commission and the High Representative.</i>	
74			<i>2a. The strategic board shall adopt its rules of procedure during its first meeting, which shall include details on the number of meetings to be held per year, the voting rights of its members and progress reports to be issued by the Commission. The minutes and agendas of the meetings of the strategic board shall be made public.</i>	<u>To be prepared at technical level for the trilogue on 18 May</u>
75			<i>2b. The strategic board shall regularly organise a consultation of relevant stakeholders on the orientation and implementation of the EFSD.</i>	<u>To be prepared at technical level for the trilogue on 18 May</u>
76			<i>2c. During the implementation phase of the EFSD, the strategic board shall, as soon as possible, adopt and publish guidelines setting out how conformity of EFSD operations with the objectives and eligibility criteria set out in Article 8 is to be ensured.</i>	<u>To be prepared at technical level for the trilogue on 18 May</u>

77			<i>2d. In its strategic guidance, the strategic board shall take into account relevant European Parliament resolutions and Council decisions and conclusions.</i>	<u>To be prepared at technical level for the trilogue on 18 May</u>
78		<i>Contributors, eligible counterparts, partner countries, regional organisations and the European Parliament may be given observer status, where appropriate. The EU Member States shall be consulted prior to the inclusion of any new observer.</i>		[See line 73]
79		<i>4. The strategic board shall meet at least twice a year and, when possible, adopt opinions by consensus.</i>		[See line 74]
80		<i>Additional meetings may be organised at any time by the chair and upon request of one third of its members.</i>		[See line 74]
81		<i>In case consensus cannot be achieved, voting rights, taking due account of the source of financing, shall apply as agreed during the first meeting of the strategic board and laid down in its rules of procedure.</i>		[See line 74]
82		<i>5. The Commission shall report annually to the strategic board about the progress made.</i>		[See line 74]
83			Article 5a Regional operational boards	<u>To be discussed at trilogue on 10 May</u>
84			<i>1. Each regional investment platform shall have an operational</i>	<u>To be discussed at trilogue on 10 May</u>

			<i>board.</i>	
85			<i>2. Operational boards shall support the Commission in defining regional and sectoral investment goals and regional, sectoral and thematic investment windows and shall formulate opinions on blending operations and on the use of the EFSD Guarantee. They shall, in particular, provide guidance on future financing proposals, monitor and review the pipeline of projects, examine project-related results and monitor the portfolio of approved projects.</i>	<u>To be discussed at trilogue on 10 May</u>
86			<i>3. Operational boards shall be chaired by the Commission and be composed of representatives of the Commission, of the High Representative and of the Member States as voting members, and, where appropriate, of the eligible counterparts as observers. The European Parliament shall be granted observer status.</i>	<u>To be discussed at trilogue on 10 May</u>
87			<i>4. The Commission and the High Representative shall ensure the close involvement of the European Union Delegations and of the eligible counterparts in preparing the work of the operational boards.</i>	<u>To be discussed at trilogue on 10 May</u>
88	CHAPTER III EFSD GUARANTEE AND EFSD GUARANTEE FUND			
89	Article 6	Article 6	Article 6	No change

	The EFSD Guarantee	The EFSD Guarantee	The EFSD Guarantee	
90	1. The Union shall provide an irrevocable and unconditional guarantee on first demand to the eligible counterpart for the financing and investment operations covered by this Regulation starting in the African and Neighbourhood partner countries.	1. The Union shall provide an irrevocable and unconditional guarantee on first demand to the eligible counterpart for the financing and investment operations covered by this Regulation [...].	1. The Union shall, <i>after careful consideration of the viability of a project</i> , provide an irrevocable and unconditional guarantee on first demand to the eligible counterpart for the financing and investment operations covered by this Regulation [...].	1. The Union shall, <i>after careful consideration of the viability of a project</i> , provide an irrevocable and unconditional guarantee on first demand to the eligible counterpart for the financing and investment operations covered by this Regulation [...].
91			<i>1a. The EFSD Guarantee shall support financing and investment operations in partner countries in the regions listed in the Annex. The Commission is empowered to adopt delegated acts in accordance with Article 20a amending the Annex listing the regions eligible for support through EFSD Guarantee.</i>	<u>To be discussed at trilogue on 10 May</u>
92	2. The EFSD Guarantee shall be granted as a guarantee on first demand in respect of the instruments referred to in Article 9 and in compliance with the eligibility criteria referred to in Article 8.	2. The EFSD Guarantee shall be granted as a guarantee on first demand in respect of the instruments referred to in Article 9 and in compliance with the eligibility criteria referred to in Article 8.	2. The EFSD Guarantee shall be granted as a guarantee on first demand in respect of the instruments referred to in Article 9 and in compliance with the eligibility criteria referred to in Article 8.	No change
93	Article 7 Requirements for the use of the EFSD Guarantee	Article 7 Requirements for the use of the EFSD Guarantee	Article 7 Requirements for the use of the EFSD Guarantee	No change
94	1. The granting of the EFSD Guarantee shall be subject to the conclusion of the respective EFSD guarantee agreement between the Commission on behalf of the Union and the eligible counterpart.	1. The granting of the EFSD Guarantee shall be subject to the conclusion of the respective EFSD guarantee agreement between the Commission on behalf of the Union and the eligible counterpart.	1. The granting of the EFSD Guarantee shall be subject to the conclusion of the respective EFSD guarantee agreement between the Commission on behalf of the Union and the eligible counterpart.	No change

95	2. The initial investment period during which the EFSD guarantee agreements for supporting financing and investment operations can be concluded with the eligible counterparts shall last until 31 December 2020.	2. The [...] investment period during which the EFSD guarantee agreements for supporting financing and investment operations can be concluded with the eligible counterparts shall last until 31 December 2020.	2. The initial investment period during which the EFSD guarantee agreements for supporting financing and investment operations can be concluded with the eligible counterparts shall last until 31 December 2020.	2. The [...] investment period during which the EFSD guarantee agreements for supporting financing and investment operations can be concluded with the eligible counterparts shall last until 31 December 2020.
96	3. The maximum period allowed for eligible counterparts to conclude agreements with financial intermediaries or final beneficiaries shall be four years after the conclusion of the relevant guarantee agreement.	3. The maximum period allowed for eligible counterparts to conclude agreements with financial intermediaries or final beneficiaries shall be four years after the conclusion of the relevant guarantee agreement.	3. The maximum period allowed for eligible counterparts to conclude agreements with <i>co-financing private sector partners</i> , financial intermediaries or final beneficiaries shall be four years after the conclusion of the relevant guarantee agreement.	3. The maximum period allowed for eligible counterparts to conclude agreements with <i>co-financing private sector partners</i> , financial intermediaries or final beneficiaries shall be four years after the conclusion of the relevant guarantee agreement.
97	Article 8 Eligibility criteria for the use of the EFSD Guarantee	Article 8 Eligibility criteria for the use of the EFSD Guarantee	Article 8 Eligibility criteria for the use of the EFSD Guarantee	No change <u>Proposal from technical level for paragraphs 1 and 2 for discussion / confirmation at trilogue:</u>
98	1. The financing and investment operations eligible for support through the EFSD Guarantee shall be consistent and aligned with Union policies, in particular development and neighbourhood policies of the Union, the partner countries' strategies and policies and aim at supporting the following general objectives:	1. The financing and investment operations eligible for support through the EFSD Guarantee <i>in accordance with Article 3</i> shall be consistent and aligned with Union policies, [...] <i>as well as with</i> the partner countries' strategies and policies. <i>Operations shall take into account other EU and international support to ensure complementarity with other initiatives</i> and aim at supporting the following general objectives:	1. The financing and investment operations eligible for support through the EFSD Guarantee shall be <i>in line with the purpose of the EFSD as provided for in Article 3. Such operations shall be</i> consistent and aligned with Union policies, in particular development and neighbourhood policies of the Union, <i>as well as</i> the partner countries' strategies and policies. <i>Such operations shall take into account other Union and international support to ensure complementarity with other</i>	1. The financing and investment operations eligible for support through the EFSD Guarantee <i>in accordance with the purpose of the EFSD as provided for in Article 3</i> shall be consistent and aligned with Union policies, in particular development and neighbourhood policies of the Union, <i>as well as with</i> the partner countries' strategies and policies. <i>Such operations shall take into account other Union and international support to ensure complementarity with other initiatives</i> and [...] <i>shall support</i> the

			<i>initiatives</i> and [...] <i>shall support</i> the following [...] objectives:	following [...] objectives:
99	(a) contribute to economic and social development, with particular focus on sustainability and job creation (in particular for youth and women), thus addressing root causes of migration and contributing to sustainable reintegration of returned migrants in their countries of origin;	(a) [...] <i>promote</i> economic and social development, <i>thus pursuing and strengthening amongst others the rule of law, good governance and human rights</i> and with particular focus on sustainability and <i>decent</i> job creation [...] <i>promoting</i> in particular [...] <i>gender equality, empowerment of women and youth</i> [...], thus addressing root causes of <i>irregular</i> migration, and, <i>inter alia, taking into consideration the needs of countries of origin and transit</i> and contributing to sustainable <i>integration of migrants in host countries</i> and reintegration of returned migrants in their countries of origin;	(a) contribute to economic and social development <i>and the implementation of the 2030 Agenda</i> , with particular focus on <i>the eradication of poverty</i> , sustainability [...], <i>fostering decent employment, economic opportunities, skills and entrepreneurship, and promoting</i> , in particular [...], <i>gender equality and the empowerment of women</i> [...] <i>and young people</i> , thus addressing <i>the specific</i> root causes of migration, <i>enhancing resilience</i> and contributing to <i>the</i> sustainable reintegration of [...] migrants [...] <i>returning to</i> their countries of origin, <i>with due regard to the strengthening of the rule of law, good governance and human rights</i> ;	(a) <i>contribute to sustainable development in its economic, social and environmental dimensions and to the implementation of the 2030 Agenda for Sustainable Development and, where appropriate, the European Neighbourhood Policy</i> , with particular focus on [...] <i>the eradication of poverty, creation of decent jobs, economic opportunities, skills and entrepreneurship, promoting</i> in particular [...] <i>gender equality and the empowerment of women</i> [...] <i>and young people</i> ; (aa) <i>by promoting sustainable development contribute to addressing specific root causes of [Council: irregular] migration [Council: and to the implementation of the Union's migration policy including, where appropriate, the New Partnership Framework with Third Countries], foster resilience of transit and host communities, and [...] contribute to the sustainable reintegration of [...] migrants [...] returning to</i> their countries of origin, <i>with due regard to the strengthening of the rule of law, good governance and human rights</i> ;

100	(b) target socio-economic sectors, in particular infrastructure including sustainable energy, water, transport, information and communications technologies, environment, sustainable use of natural resources and blue growth, social infrastructure, human capital, in order to improve the socio-economic environment;	(b) target socio-economic sectors, in particular public and private infrastructure including sustainable energy, water, transport, information and communications technologies, environment, sustainable use of natural resources, agriculture and blue growth, social infrastructure, health , human capital, in order to improve the socio-economic environment;	(b) [...] strengthen socio-economic sectors, in particular infrastructure including renewable and waste management , transport, information and communications technologies, as well as environment, sustainable use of natural resources, sustainable agriculture and blue growth, social infrastructure, human capital, in order to improve the socio-economic environment;	(b) [...] strengthen socio-economic sectors, in particular public and private infrastructure including renewable and waste management , transport, information and communications technologies, as well as environment, sustainable use of natural resources, sustainable agriculture and blue growth, social infrastructure, health , human capital, in order to improve the socio-economic environment;
101	(c) provide finance in favour of micro-, small- and medium-sized enterprises with a particular focus on private sector development;	(c) provide finance in favour of micro-, small- and medium-sized enterprises with a particular focus on private sector development while addressing market failures and limiting market distortions ;	(c) provide finance [...] and support to private and cooperative sector development, with a particular focus on local companies and micro, small and medium-sized enterprises [...], in particular those in the Least Developed Countries and fragile states, while addressing market failures and limiting market distortions and fostering the involvement of European companies ;	(c) provide finance [...] and support to private and cooperative sector development, with a particular focus on local companies and micro, small and medium-sized enterprises [...], in particular those in Least Developed Countries and fragile states, while addressing market failures and limiting market distortions and fostering the involvement of European companies ;
102	(d) provide financial instruments aimed at addressing the bottlenecks to private investments, including first loss guarantees to portfolios guarantees to private sector projects such as loan guarantees for small and medium-sized enterprises and guarantees for specific risks for infrastructure projects and other	(d) provide financial instruments aimed at addressing the bottlenecks to private investments, including first loss guarantees to portfolios guarantees to private sector projects such as loan guarantees for small and medium-sized enterprises and guarantees for specific risks for infrastructure projects and other	(d) [...] address bottlenecks to private investments by providing financial instruments , including first loss guarantees to portfolios guarantees to private sector projects such as loan guarantees for small and medium-sized enterprises and guarantees for specific risks for infrastructure projects and other	(d) [...] address bottlenecks to private investments by providing financial instruments , including first loss guarantees to portfolios guarantees to private sector projects such as loan guarantees for small and medium-sized enterprises and guarantees for specific risks for infrastructure projects and other

	risk capital;	risk capital;	risk capital; <i>financial instruments provided may be denominated in the local currency of the partner country concerned;</i>	risk capital; <i>financial instruments provided may be denominated in the local currency of the partner country concerned;</i>
103	(e) maximise private sector leverage by addressing bottlenecks to investment.	(e) [...] <i>leverage</i> private sector [...] <i>financing, with a particular focus on micro-, small-, and medium-sized enterprises</i> , by addressing bottlenecks <i>and obstacles</i> to investment [...];	(e) maximise private sector leverage, <i>with a particular focus on micro, small and medium-sized enterprises</i> by addressing bottlenecks to investment[...];	(e) [...] <i>leverage</i> private sector [...] <i>financing, with a particular focus on micro-, small-, and medium-sized enterprises</i> , by addressing bottlenecks <i>and obstacles</i> to investment [...];
104		(f) <i>allocate at least 20% of the financing to investments with components that contribute to climate action.</i>	(ea) <i>contribute to climate action and environmental protection and management, thus producing climate co-benefits allocating at least 35 % of the financing to investments with components that contribute to climate action, renewable energy and resource efficiency.</i>	(ea) <i>contribute to climate action and environmental protection and management, thus producing climate co-benefits, allocating at least [Council: 20 %; EP: 35 %] of the financing to investments with components that contribute to climate action, renewable energy and resource efficiency.</i>
105	2. The EFSD Guarantee shall support financing and investment operations which in particular:	2. The EFSD Guarantee shall support financing and investment operations which in particular:	2. The EFSD Guarantee shall support financing and investment operations which [...] <i>address market failures or sub-optimal investment situations and which:</i>	2. The EFSD Guarantee shall support financing and investment operations which [...] <i>address market failures or sub-optimal investment situations and which:</i>
106		(a) <i>contribute to sustainable development in its economic, social and environmental dimensions through the implementation of the Agenda 2030 on Sustainable Development and, where appropriate, the European Neighbourhood Policy;</i>		[See line 99]
107		(b) <i>contribute to the implementation of the Union's migration policy, including, where appropriate, the New Partnership</i>		[See line 99]

		Framework with Third Countries;		
108	(a) provide additionality;	[...] (c) provide additionality;	(a) provide additionality <i>as defined in article 2;</i>	(a) provide additionality;
109			<i>(aa) ensure complementarity with other initiatives, making sure that EFSD operations are clearly distinct, in particular from the external lending mandate operations managed by the EIB;</i>	<i>(aa) ensure complementarity with other initiatives, making sure that EFSD operations are clearly distinct, in particular from the external lending mandate operations managed by the EIB;</i>
110	(b) ensure alignment of interest by providing adequate risk sharing by the respective eligible counterpart and other prospective partners;	[...] (d) ensure alignment of interest by providing adequate risk sharing by the respective eligible counterpart and other prospective partners;	(b) ensure alignment of interest by providing adequate risk sharing by the respective eligible counterpart and other prospective partners;	No change
111	(c) are economically and financially viable, taking also into account the possible support from, and co-financing by, private and public partners to the project;	[...] (e) are economically and financially viable, [...] with due regard to the possible support from, and co-financing by, private and public partners to the project while taking into account the specific operating environment and capacities of countries identified as experiencing fragility or conflict, LDCs and heavily indebted poor countries where more concessional terms can be given;	(c) are economically and financially viable, [...] with due regard to the possible support from, and co-financing by, private and public partners to the project, while taking into account the specific operating environment and capacities of countries identified as experiencing fragility or conflict, Least Developed Countries and heavily indebted poor countries where more concessional terms can be given;	(c) are economically and financially viable, [...] with due regard to the possible support from, and co-financing by, private and public partners to the project, while taking into account the specific operating environment and capacities of countries identified as experiencing fragility or conflict, Least Developed Countries and heavily indebted poor countries where more concessional terms can be given;
112	(d) are technically viable and are sustainable from an environmental and social point of view; and	[...] (f) are technically viable and are sustainable from an environmental and social point of view; [...]	(d) are technically viable and are sustainable from an environmental and social point of view;	No change
113	(e) maximise the mobilisation of private sector capital.	[...] (g) maximise the mobilisation of private sector capital [...];	(e) maximise, where possible , the mobilisation of private sector capital [...];	(e) maximise, where possible , the mobilisation of private sector capital [...];
114		(h) respect the principles of development effectiveness	(ea) respect the principles of development effectiveness as set	(ea) respect the principles of development effectiveness as set

		<i>including untied aid;</i>	<i>out in the Busan Partnership for Effective Development Cooperation and reaffirmed in Nairobi in December 2016, including, ownership, alignment, focus on results, transparency and mutual accountability, as well as the objective of untying aid;</i>	<i>out in the Busan Partnership for Effective Development Cooperation and reaffirmed in Nairobi in December 2016, including, ownership, alignment, focus on results, transparency and mutual accountability, as well as the objective of untying aid;</i>
115			<i>(eb) fulfil the criteria for ODA established by the Development Assistance Committee of the OECD, taking into account the specificities of private sector development; and</i>	<i>(eb) <u>are designed so as to fulfil</u> the criteria for ODA established by the Development Assistance Committee of the OECD, taking into account the specificities of private sector development; and</i>
116			<i>(ec) are implemented in full respect of internationally agreed guidelines, principles and conventions including the UN Principles for Responsible Investment, UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, and the UN Food and Agriculture Organisation's Principles for Responsible Investment in Agriculture and Food Systems, and International Labour Organisation conventions, as well as international human rights law.</i>	<i>(ec) are implemented in full respect of internationally agreed guidelines, principles and conventions including the UN Principles for Responsible Investment, UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, and the UN Food and Agriculture Organisation's Principles for Responsible Investment in Agriculture and Food Systems, and International Labour Organisation conventions, as well as international human rights law.</i>
117		<i>(i) contribute to climate action, environmental protection and management thus producing climate co-benefits;</i>		[See line 104]
118			<i>2a. The EFSD Guarantee shall not be used to replace government</i>	<u>To be further considered at technical level</u>

			responsibility for providing essential services.	[subject to confirmation by Council; place to be verified]
119	3. On a case by case basis the Commission may allow combined financing from different Union instruments.	3. On a case by case basis [...] operations may [...] combine financing from different Union instruments.	3. On a case by case basis the Commission may allow combined financing from different Union instruments to the extent that it is needed for the success of the investment project backed by the EFSD and as long as this does not lead to reduced financing for other developmental objectives.	3. On a case by case basis [...] operations may [...] combine financing from different Union instruments to the extent that it is needed for the success of the investment project backed by the EFSD and as long as this does not lead to reduced financing for other developmental objectives.
120	4. The Commission may define investment windows for specific regions or partner countries or for both, for specific sectors, for specific projects or for specific categories of final beneficiaries or for both to be funded by instruments referred to in Article 9 to be covered by the EFSD Guarantee up to a fixed amount. All requests for financial support within investment windows shall be made to the Commission.	4. The Commission [...], taking due account of the advice provided by the strategic board and after consultation with the operational boards, shall define investment windows for specific regions or partner countries or for both, for specific sectors, for specific projects or for specific categories of final beneficiaries or for both to be funded by instruments referred to in Article 9 to be covered by the EFSD Guarantee up to a fixed amount. The EIB should provide a written opinion on banking related matters to accompany each proposal for investment windows. All requests for financial support within investment windows shall be made to the Commission.	4. The Commission [...] is empowered to adopt, after consultation with the strategic board, delegated acts in accordance with Article 20a supplementing this Regulation by establishing a list of investment windows. Investment windows shall be established for specific regions or partner countries or for both, for specific sectors, for specific projects or for specific categories of final beneficiaries or for both to be funded by instruments referred to in Article 9 to be covered by the EFSD Guarantee up to a fixed amount. [...]	<u>To be discussed at trilogue on 10 May</u>
121			The choice of investment windows shall be duly justified by an analysis of the market failure or sub-optimal investment situations. Such analysis shall be carried out	<u>To be discussed at trilogue on 10 May</u>

			<i>by the Commission in cooperation with potentially eligible counterparts and stakeholders.</i>	
122			<i>Within the relevant regional investment platforms, a significant share of the EFSD Guarantee shall be allocated to fragile and conflict-affected countries, landlocked countries and Least-Developed Countries.</i>	To be discussed at trilogue on 10 May
123			<i>4a. The Commission shall establish and publish a scoreboard of indicators reflecting the eligibility criteria set out in this Article, to be used to ensure an independent and transparent assessment of the potential and actual operations backed by the EFSD Guarantee. The Commission shall publish the results of its assessments.</i>	To be discussed at trilogue on 10 May
124	Article 9 Eligible instruments for the EFSD Guarantee	Article 9 Eligible instruments for the EFSD Guarantee	Article 9 Eligible instruments for the EFSD Guarantee	Article 9 Eligible instruments for the EFSD Guarantee
125	1. The EFSD Guarantee shall be used to cover the risks for the following instruments:	1. The EFSD Guarantee shall be used to cover the risks for the following instruments:	1. The EFSD Guarantee shall be used to cover the risks for the following instruments:	No change
126	(a) loans;	(a) loans;	(a) loans, including local currency loans ;	[place to be verified] (a) loans, including local currency loans ;
127	(b) guarantees;	(b) guarantees;	(b) guarantees;	No change
128	(c) counter-guarantees;	(c) counter-guarantees;	(c) counter-guarantees;	No change
129	(d) capital market instruments;	(d) capital market instruments;	(d) capital market instruments;	No change
130	(e) any other form of funding or credit enhancement, equity or quasi-equity participations.	(e) any other form of funding or credit enhancement, insurance , equity [...], quasi-equity	(e) any other form of funding or credit enhancement, equity or quasi-equity participations.	(e) any other form of funding or credit enhancement, insurance , equity [...], quasi-equity

		participations.		participations.
131	2. The instruments listed in paragraph 1 may be provided by eligible counterparts or contributors including private investors under an investment window or individual project administered by an eligible counterpart for the benefit of partner countries including fragile and conflict-affected countries and these partner countries' institutions including their public national and private local banks and financial institutions as well as private sector entities of the partner countries.	2. The instruments listed in paragraph 1 may be provided by eligible counterparts [...] under an investment window or individual project administered by an eligible counterpart. <i>They may be provided</i> for the benefit of partner countries, including [...] countries <i>experiencing fragility or conflict or facing challenges in reconstruction and post-conflict recovery</i> , and these partner countries' institutions, including their public national and private local banks and financial institutions as well as private sector entities of [...] <i>these</i> partner countries. <i>In countries experiencing fragility or conflict, as well as other countries when justified, support may be provided to public sector investments that have relevant effects on private sector development.</i>	2. The instruments listed in paragraph 1 may be provided by eligible counterparts or contributors including private investors under an investment window or individual project administered by an eligible counterpart for the benefit of partner countries including fragile and conflict-affected countries and these partner countries' institutions including their public national and private local banks and financial institutions as well as private sector entities of the partner countries.	2. The instruments listed in paragraph 1 may be provided by eligible counterparts [...] under an investment window or individual project administered by an eligible counterpart. <i>They may be provided</i> for the benefit of partner countries, including [...] countries <i>experiencing fragility or conflict or facing challenges in reconstruction and post-conflict recovery</i> , and these partner countries' institutions, including their public national and private local banks and financial institutions as well as private sector entities of [...] <i>these</i> partner countries. <i>In countries experiencing fragility or conflict, as well as other countries when justified, support may be provided to public sector investments that have relevant effects on private sector development.</i>
132	Article 10 Eligibility and selection of counterparts	Article 10 Eligibility and selection of counterparts	Article 10 Eligibility and selection of counterparts	Article 10 Eligibility and selection of counterparts
133	1. The eligible counterparts for the purposes of the EFSD Guarantee shall be:	1. The eligible counterparts for the purposes of the EFSD Guarantee shall be:	1. The eligible counterparts for the purposes of the EFSD Guarantee shall be:	No change
134	(a) the European Investment Bank and the European Investment Fund;	(a) the European Investment Bank and the European Investment Fund;	(a) the European Investment Bank and the European Investment Fund;	No change
135	(b) public law bodies;	(b) public law bodies;	(b) public law bodies;	No change
136	(c) international organisations and	(c) international organisations and	(c) international organisations and	No change


	their agencies;	their agencies;	their agencies;	
137	(d) bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;	(d) bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;	(d) bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;	No change
138	(e) bodies governed by the private law of a Member State that provide adequate financial guarantees, by derogation from Article 58(1)(c)(vii) of Regulation (EU) No 966/2012	(e) bodies governed by the private law of a Member State that provide adequate financial guarantees, by derogation from Article 58(1)(c)(vii) of Regulation (EU) No 966/2012;	(e) bodies governed by the private law of a Member State that provide adequate financial guarantees, by derogation from Article 58(1)(c)(vii) of Regulation (EU) No 966/2012, and that disclose what extra-financial factors ("Environment Social and Governance ESG"), such as climate change, resource scarcity, misaligned executive compensation or corruption, they consider as part of their fiduciary duty;	<u>To be further considered at technical level</u> [Council and EC to check] (e) bodies governed by the private law of a Member State that provide adequate financial guarantees, by derogation from Article 58(1)(c)(vii) of Regulation (EU) No 966/2012, and that disclose what extra-financial factors ("Environment Social and Governance ESG"), such as climate change, resource scarcity, misaligned executive compensation or corruption, they consider as part of their fiduciary duty;
139	(f) bodies governed by the private law of a partner country that provide adequate financial guarantees, by derogation from Article 58(1)(c)(vii) of Regulation (EU) No 966/2012.	(f) bodies governed by the private law of a partner country that provide adequate financial guarantees, by derogation from Article 58(1)(c)(vii) of Regulation (EU) No 966/2012.	(f) bodies governed by the private law of a partner country that provide adequate financial guarantees, by derogation from Article 58(1)(c)(vii) of Regulation (EU) No 966/2012.	No change
140	2. Eligible counterparts shall comply with the rules and conditions provided for in Article 60 of Regulation (EU, Euratom) No 966/2012.	2. Eligible counterparts shall comply with the rules and conditions provided for in Article 60 of Regulation (EU, Euratom) No 966/2012.	2. Eligible counterparts shall comply with the rules and conditions provided for in Article 60 of Regulation (EU, Euratom) No 966/2012.	No change
141		3. The guarantee shall be implemented whenever possible	2a. The Commission shall ensure a level-playing field for eligible	<u>To be discussed at trilogue on 10 May</u>

		<i>under the lead of a European eligible counterpart.</i>	<i>counterparts and promote cooperation between them. It shall ensure an absence of conflicts of interest throughout the stages of implementation of the EFSD. In order to ensure complementarity, the eligible counterparts shall provide any relevant information about their non-EFSD operations.</i>	
142	3. The Commission shall select the eligible counterparts pursuant to Article 61 of Regulation (EU, Euratom) No 966/2012.	[...] 4. The Commission shall select the eligible counterparts pursuant to Article 61 of Regulation (EU, Euratom) No 966/2012.	3. The Commission shall select the eligible counterparts pursuant to Article 61 of Regulation (EU, Euratom) No 966/2012.	No change
143			<i>3a. Eligible counterparts may be invited to an exchange of views in the European Parliament concerning financing and investment operations covered by this Regulation.</i>	<u>To be further considered at technical level</u> <i>3a. Eligible counterparts may be invited to an exchange of views by the European Parliament or the <u>Council</u> concerning financing and investment operations covered by this Regulation.</i>
144	Article 11 Coverage and terms of the EFSD guarantee agreements	Article 11 Coverage and terms of the EFSD guarantee agreements	Article 11 Coverage and terms of the EFSD [...] Guarantee	Article 11 Coverage and terms of the EFSD [...] Guarantee
145	1. The EFSD Guarantee shall not, at any time, exceed EUR 1 500 000 000 without prejudice to paragraph 2.	1. The EFSD Guarantee shall not, at any time, exceed EUR [1 500 000 000] without prejudice to paragraph 2.	1. The EFSD Guarantee shall not, at any time, exceed EUR 1 500 000 000 without prejudice to paragraph 2.	No change
146	2. Member States may contribute to the EFSD Guarantee Fund in the form of guarantees or cash. Subject to Commission approval, other contributors may contribute, in the form of cash.	2. Member States may contribute to the EFSD Guarantee Fund in the form of guarantees or cash. Subject to <i>the opinion of the strategic board</i> and Commission approval, other contributors may contribute, in the form of cash.	Member States <i>and EFTA countries</i> may contribute to the EFSD Guarantee Fund in the form of guarantees or cash. Subject to Commission approval, other contributors may contribute, in the form of cash.	<u>To be prepared at technical level for the trilogue on 18 May</u>

147	The amount of the Guarantee exceeding the amount indicated in paragraph 1 shall be granted on behalf of the Union.	The amount of the Guarantee exceeding the amount indicated in paragraph 1 shall be granted on behalf of the Union.	The amount of the Guarantee exceeding the amount indicated in paragraph 1 shall be granted on behalf of the Union.	No changes
148	Aggregate net payments from the general budget of the Union under the EFSD Guarantee shall not exceed EUR 1 500 000 000. Payments for guarantee calls shall be made, where necessary, by the contributing Member States or other contributors on pari passu basis with the Union, without prejudice to paragraph 4.	Aggregate net payments from the general budget of the Union under the EFSD Guarantee shall not exceed /EUR 1 500 000 000/. Payments for guarantee calls shall be made, where necessary, by the contributing Member States or other contributors on pari passu basis with the Union, without prejudice to paragraph 4.	Aggregate net payments from the general budget of the Union under the EFSD Guarantee shall not exceed EUR 1 500 000 000. Payments for guarantee calls shall be made, where necessary, by the contributing Member States or other contributors on pari passu basis with the Union, without prejudice to paragraph 4.	No changes
149	A contribution agreement shall be concluded between the Commission, on behalf of the Union, and the contributor, which shall contain, in particular, provisions concerning the payment conditions.	A contribution agreement shall be concluded between the Commission, on behalf of the Union, and the contributor, which shall contain, in particular, provisions concerning the payment conditions.	A contribution agreement shall be concluded between the Commission, on behalf of the Union, and the contributor, which shall contain, in particular, provisions concerning the payment conditions.	No changes
150	3. The EFSD Guarantee shall only become available when a contribution in cash of EUR 400 000 000 from the 11th European Development Fund (EDF) to the general budget of the Union has been confirmed.	3. The EFSD Guarantee shall only become available when a contribution in cash of /EUR 400 000 000/ from the 11th European Development Fund (EDF) to the general budget of the Union has been confirmed.	3. The EFSD Guarantee shall only become available when a contribution in cash of EUR 400 000 000 from the 11th European Development Fund (EDF) to the general budget of the Union has been confirmed.	No changes
151	The Member States may contribute to the EFSD Guarantee in the form of guarantees or cash.	The Member States may contribute to the EFSD Guarantee in the form of guarantees or cash.	The Member States may contribute to the EFSD Guarantee in the form of guarantees or cash.	No changes
152	The Commission shall inform the European Parliament and the Council about the contributions confirmed.	The Commission shall inform the European Parliament and the Council about the contributions confirmed.	The Commission shall inform the European Parliament and the Council <i>without delay</i> about the contributions confirmed.	The Commission shall inform the European Parliament and the Council <i>without delay</i> about the contributions confirmed.
153	4. The contributions made by the	4. The contributions made by the	4. The contributions made by the	No changes

	Member States in the form of a guarantee may only be called for payments of guarantee calls after the funding from the general budget of the Union increased by any other cash contributions has been used on payments of guarantee calls.	Member States in the form of a guarantee may only be called for payments of guarantee calls after the funding from the general budget of the Union increased by any other cash contributions has been used on payments of guarantee calls.	Member States in the form of a guarantee may only be called for payments of guarantee calls after the funding from the general budget of the Union increased by any other cash contributions has been used on payments of guarantee calls.	
154	At the request of the Member States, the contributions made by them may be earmarked for the initiation of projects in specific regions, countries, sectors or investment windows.	At the request of the Member States, the contributions made by them may be earmarked for the initiation of projects in specific regions, countries, sectors or investment windows.	At the request of the Member States and subject to approval by the strategic board , the contributions made by them may be earmarked for the initiation of projects in specific regions [...] or existing investment windows.	<u>To be prepared at technical level for the trilogue on 18 May</u>
155	Any contribution may be used to cover guarantee calls regardless of earmarking.	Any contribution may be used to cover guarantee calls regardless of earmarking.	Any contribution may be used to cover guarantee calls regardless of earmarking.	No changes
156	5. At least EUR 400 000 000 of EFSD Guarantee coverage shall be allocated for investments in the partner countries eligible under the 11th EDF throughout the implementation period of the EFSD Guarantee.	5. At least /EUR 400 000 000/ of EFSD Guarantee coverage shall be allocated for investments in the partner countries eligible under the 11th EDF throughout the implementation period of the EFSD Guarantee.	5. At least EUR 400 000 000 of EFSD Guarantee coverage shall be allocated for investments in the partner countries eligible under the 11 th EDF throughout the implementation period of the EFSD Guarantee, in line with the objectives of the Cotonou Partnership Agreement .	<u>To be further considered at technical level</u> [Council to verify]
157		6. At least EUR 100 000 000 of EFSD Guarantee coverage shall be allocated for investments in the partner countries from the Eastern and Southern Neighbourhood, in line with Regulation (EU) No 232/2014 of the European Parliament and of the Council.	5 a. At least EUR 100 000 000 of EFSD Guarantee coverage shall be allocated for investments in the partner countries from the Eastern and Southern Neighbourhood, in accordance with Regulation (EU) No 232/2014.	6. At least EUR 100 000 000 of EFSD Guarantee coverage shall be allocated for investments in the partner countries from the Eastern and Southern Neighbourhood, in line with Regulation (EU) No 232/2014 of the European Parliament and of the Council.
158	Article 12 Implementation of the EFSD	Article 12 Implementation of the EFSD	Article 12 Implementation of the EFSD	Article 12 Implementation of the EFSD

	guarantee agreements	guarantee agreements	guarantee agreements	guarantee agreements
159	1. The Commission on behalf of the Union shall conclude EFSD guarantee agreements with the eligible counterparts selected pursuant to Article 10 and paragraph 4, on the granting of the EFSD Guarantee, which shall be unconditional, irrevocable, at first demand, in favour of the selected eligible counterpart.	1. The Commission on behalf of the Union shall conclude EFSD guarantee agreements with the eligible counterparts selected pursuant to Article 10 and paragraph 4, on the granting of the EFSD Guarantee, which shall be unconditional, irrevocable, at first demand, in favour of the selected eligible counterpart.	1. The Commission on behalf of the Union shall conclude EFSD guarantee agreements with the eligible counterparts selected pursuant to Article 10 and paragraph 4, on the granting of the EFSD Guarantee, which shall be unconditional, irrevocable, at first demand, in favour of the selected eligible counterpart.	No change
160	2. One or more guarantee agreements shall be concluded for each investment window between the Commission and the eligible counterpart or eligible counterparts selected. In order to address specific needs, the EFSD Guarantee may be granted for individual financing or investment operations. Agreements can be concluded with a consortium of two or more eligible counterparts.	2. One or more guarantee agreements shall be concluded for each investment window between the Commission and the eligible counterpart or eligible counterparts selected. In order to address specific needs, the EFSD Guarantee may be granted for individual financing or investment operations. Agreements can be concluded with a consortium of two or more eligible counterparts.	2. One or more guarantee agreements shall be concluded for each investment window between the Commission and the eligible counterpart or eligible counterparts selected. In order to address specific needs, the EFSD Guarantee may be granted for individual financing or investment operations. Agreements can be concluded with a consortium of two or more eligible counterparts.	No change
161			<i>2a. The guarantee agreements shall be made publicly available, with a limited regime of exceptions.</i>	<u>To be discussed at trilogue on 10 May</u> [See also line 231; COM request to add “taking into account possible banking law restrictions as well as commercially sensitive information.”]
162	3. The guarantee agreements shall contain, in particular, provisions concerning the following:	3. The guarantee agreements shall contain, in particular, provisions concerning the following:	3. The guarantee agreements shall contain, in particular, provisions concerning the following:	No change
163		<i>(a) The objectives and purpose of this regulation including a needs</i>		<u>To be prepared at technical level for the trilogue on 18 May</u>

		<i>assessment and the expected results taking into account the promotion of corporate social responsibility, in particular through respect of the internationally agreed guidelines and principles including such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.</i>		[See also line 165 and outcome of negotiations on Art. 8(2)]
164	(a) detailed rules on the provision of the EFSD Guarantee, including its arrangements on the coverage and its defined coverage of portfolios and of projects of specific types of instruments;	[...] (b) detailed rules on the provision of the EFSD Guarantee, including its arrangements on the coverage and its defined coverage of portfolios and of projects of specific types of instruments <i>as well as a risk analysis of project and portfolio, including on sectoral, regional and national levels</i> ;	(a) detailed rules on the provision of the EFSD Guarantee, including its arrangements on the coverage and its defined coverage of portfolios and of projects of specific types of instruments;	[...] (b) detailed rules on the provision of the EFSD Guarantee, including its arrangements on the coverage and its defined coverage of portfolios and of projects of specific types of instruments <i>as well as a risk analysis of project and portfolio, including on sectoral, regional and national levels</i> ;
165			<i>(aa) the objectives and purpose of this Regulation, a needs assessment and an indication of the expected results, taking into account the promotion of corporate social responsibility, including, in particular, by respect for all internationally agreed guidelines, principles and legal instruments, in particular those referred to in Article 8(2)(ec);</i>	<u>To be prepared at technical level for the trilogue on 18 May</u> [See also line 163 and outcome of negotiations on Art. 8(2)]
166	(b) the remuneration of the guarantee;	[...] (c) the remuneration of the guarantee <i>which shall reflect the risk level. The remuneration can be partly subsidised in order to</i>	(b) the remuneration of the guarantee, <i>which shall reflect the risk level; it shall be possible for the remuneration to be partly</i>	(b) the remuneration of the guarantee, <i>which shall reflect the risk level; it shall be possible for the remuneration to be partly</i>

		<i>give more concessional terms, when duly justified, in particular in countries referred to in article 8 (2) d);</i>	<i>subsidised in order to give more concessional terms, in duly justified cases, in particular in the countries referred to in point (c) of Article 8(2);</i>	<i>subsidised in order to give more concessional terms, in duly justified cases, in particular in the countries referred to in point (c) of Article 8(2);</i>
167	(c) requirements for the use of the EFSD Guarantee, including payment conditions, such as specific time frames, interest to be paid on due amounts, expenses and recovery costs and possibly necessary liquidity arrangements;	[...] <i>(d)</i> requirements for the use of the EFSD Guarantee, including payment conditions, such as specific time frames, interest to be paid on due amounts, expenses and recovery costs and possibly necessary liquidity arrangements;	(c) requirements for the use of the EFSD Guarantee, including payment conditions, such as specific time frames, interest to be paid on due amounts, expenses and recovery costs and possibly necessary liquidity arrangements;	No change
168	(d) provisions and procedures regarding the recovery of claims;	[...] <i>(e) claims procedures, including but not limited to triggering events and waiting periods; and</i> provisions and procedures regarding the recovery of claims;	(d) provisions and procedures regarding the recovery of claims;	[...] <i>(e) claims procedures, including but not limited to triggering events and waiting periods; and</i> provisions and procedures regarding the recovery of claims;
169	(e) provisions regarding the monitoring, reporting and evaluation obligations pursuant to Articles 15 and 16.	[...] <i>(f)</i> provisions regarding the monitoring, reporting and evaluation obligations pursuant to Articles 15 and 16.	(e) provisions regarding the monitoring, reporting and evaluation obligations pursuant to Articles 15 and 16[...];	(e) provisions regarding the monitoring, reporting and evaluation obligations pursuant to Articles 15 and 16[...];
170			<i>(ea) a robust, safe and accessible complaints procedure for individuals, workers, communities and civil society organisations that could be negatively affected by eligible counterpart's operations or the investment supported by the EFSD.</i>	<u>To be discussed at trilogue on 10 May</u>
171	4. The Commission shall decide whether to conclude guarantee agreements with eligible counterparts taking due account of:	4. The Commission [...], <i>when concluding</i> guarantee agreements with eligible counterparts [...], <i>shall take</i> due account of:	4. The Commission shall decide whether to conclude guarantee agreements with eligible counterparts taking due account of:	4. The Commission [...], <i>when concluding</i> guarantee agreements with eligible counterparts [...], <i>shall take</i> due account of:
172		<i>(a) the advice and guidance of the</i>		<i>(aa) the advice and guidance of the</i>

		<i>boards, in accordance with articles 4 and 5;</i>		<i>boards, in accordance with articles [4 and 5];</i>
173	(a) the objectives of the investment window;	[...] (b) the objectives of the investment window;	(a) the objectives of the investment window;	[...] (b) the objectives of the investment window;
174	(b) the experience and the operational and financial capacity of the counterpart;	[...] (c) the experience [...], operational [...], financial and risk management capacity of the counterpart;	(b) the experience and the operational and financial capacity of the counterpart;	[...] (c) the experience [...], operational [...], financial and risk management capacity of the counterpart;
175	(c) the amount of own resources that the counterpart is ready to mobilise for the investment window.	[...] (d) the amount of own resources that the counterpart is ready to mobilise for the investment window.	(c) the amount of own resources as well as private sector co-financing that the counterpart is ready to mobilise for the investment window.	(c) the amount of own resources as well as private sector co-financing that the counterpart is ready to mobilise for the investment window.
176	5. The approval of financing and investment operations shall be made by the eligible counterpart following its own rules and procedures and in compliance with the terms of the guarantee agreement.	5. The approval of financing and investment operations shall be made by the eligible counterpart following its own rules and procedures and in compliance with the terms of the guarantee agreement.	5. The approval of financing and investment operations shall be made by the eligible counterpart following its own rules and procedures and in compliance with the terms of the guarantee agreement.	No change
177	6. The EFSD Guarantee may cover:	6. The EFSD Guarantee may cover:	6. The EFSD Guarantee may cover:	No change
178	(a) for debt instruments the principal and all interests and amounts due to the selected eligible counterpart, but not received by it in accordance with the terms of the financing operations after an event of default has occurred;	(a) for debt instruments the principal and all interests and amounts due to the selected eligible counterpart, but not received by it in accordance with the terms of the financing operations after an event of default has occurred;	(a) for debt instruments the principal and all interests and amounts due to the selected eligible counterpart, but not received by it in accordance with the terms of the financing operations after an event of default has occurred;	No change
179	(b) for equity investments the amounts invested and their associated financing costs;	(b) for equity investments the amounts invested and their associated financing costs;	(b) for equity investments the amounts invested and their associated financing costs;	No change
180	(c) for other financing and investment operations referred to in Article 8(2) the amounts used and their associated funding costs;	(c) for other financing and investment operations referred to in Article 8(2) the amounts used and their associated funding costs;	(c) for other financing and investment operations referred to in Article 8(2) the amounts used and their associated funding costs;	No change
181	(d) all relevant expenses and	(d) all relevant expenses and	(d) all relevant expenses and	No change

	recovery costs related to an event of default, unless deducted from recovery proceeds.	recovery costs related to an event of default, unless deducted from recovery proceeds.	recovery costs related to an event of default, unless deducted from recovery proceeds.	
182	7. The guarantee agreements shall lay down detailed rules on the cover, requirements, eligibility, eligible counterparts, and procedures.	7. The guarantee agreements shall lay down detailed rules on the cover, requirements, eligibility, eligible counterparts, and procedures.	7. The guarantee agreements shall lay down detailed rules on the cover, requirements, eligibility, eligible counterparts, and procedures.	No change
183	Article 13 The EFSD Guarantee Fund	Article 13 The EFSD Guarantee Fund	Article 13 The EFSD Guarantee Fund	No change
184	1. The EFSD Guarantee Fund shall constitute a liquidity cushion from which the eligible counterparts shall be paid in the event of a call on the EFSD Guarantee pursuant to the relevant EFSD guarantee agreement.	1. The EFSD Guarantee Fund shall constitute a liquidity cushion from which the eligible counterparts shall be paid in the event of a call on the EFSD Guarantee pursuant to the relevant EFSD guarantee agreement.	1. The EFSD Guarantee Fund shall constitute a liquidity cushion from which the eligible counterparts shall be paid in the event of a call on the EFSD Guarantee pursuant to the relevant EFSD guarantee agreement.	No change
185	2. The EFSD Guarantee Fund shall be endowed by:	2. The EFSD Guarantee Fund shall be endowed by:	2. The EFSD Guarantee Fund shall be endowed by:	No change
186	(a) contributions from the general budget of the Union and other sources;	(a) contributions from the general budget of the Union and other sources;	(a) contributions from the general budget of the Union and other sources;	No change
187	(b) possible contributions from Member States and other contributors;	(b) [...] voluntary contributions from Member States and other contributors;	(b) possible contributions from Member States, EFTA countries and other contributors;	<u>To be prepared at technical level for the trilogue on 18 May</u> [linked to line 146] (b) [...] voluntary contributions from Member States, EFTA countries and other contributors;
188	(c) returns on invested resources of EFSD Guarantee Fund ;	(c) returns on invested resources of EFSD Guarantee Fund ;	(c) returns on invested resources of EFSD Guarantee Fund;	No change
189	(d) amounts recovered from defaulting debtors in accordance with the recovery provisions laid down in the guarantee agreements;	(d) amounts recovered from defaulting debtors in accordance with the recovery provisions laid down in the guarantee agreements;	(d) amounts recovered from defaulting debtors in accordance with the recovery provisions laid down in the guarantee agreements;	No change

190	(e) revenues and any other payments received by the Union in accordance with the guarantee agreements.	(e) revenues and any other payments received by the Union in accordance with the guarantee agreements.	(e) revenues and any other payments received by the Union in accordance with the guarantee agreements.	No change
191	3. Revenues of the EFSD Guarantee Fund as provided for in points (c) and (e) of paragraph 2 shall constitute internal assigned revenue in accordance with Article 21(4) of Regulation (EU, Euratom) No 966/2012.	3. Revenues of the EFSD Guarantee Fund as provided for in points (c) and (e) of paragraph 2 shall constitute internal assigned revenue in accordance with Article 21(4) of Regulation (EU, Euratom) No 966/2012.	3. Revenues of the EFSD Guarantee Fund as provided for in points (c) and (e) of paragraph 2 shall constitute internal assigned revenue in accordance with Article 21(4) of Regulation (EU, Euratom) No 966/2012.	No change
192	4. The resources of the EFSD Guarantee Fund referred to in paragraph 2 shall be directly managed by the Commission and invested in accordance with the principle of sound financial management and shall follow appropriate prudential rules.	4. <i>The management of</i> the resources of the EFSD Guarantee Fund referred to in paragraph 2 shall be [...] <i>entrusted to the EIB under a mandate on behalf of the Union. These resources shall be</i> managed [...] and invested in accordance with the principle of sound financial management and shall follow appropriate prudential rules. <i>On 30 June 2018 the Commission shall submit to the European Parliament and the Council a report evaluating the application of this paragraph which shall provide input for a possible amendment.</i>	4. The resources of the EFSD Guarantee Fund referred to in paragraph 2 shall be directly managed by the Commission and invested in accordance with the principle of sound financial management and shall follow appropriate prudential rules.	<u>To be discussed at trilogue on 10 May</u>
193	5. Endowments to the EFSD Guarantee Fund shall be used to reach an appropriate level of provisioning to cover the total EFSD Guarantee obligations. The provisioning rate shall be at 50% of the total EFSD Guarantee obligations covered by the general	5. Endowments to the EFSD Guarantee Fund shall be used to reach an appropriate level of provisioning to cover the total EFSD Guarantee obligations. The provisioning rate shall be at 50% of the total EFSD Guarantee obligations covered by the general	5. Endowments to the EFSD Guarantee Fund shall be used to reach an appropriate level of provisioning to cover the total EFSD Guarantee obligations. The provisioning rate shall be at 50% of the total EFSD Guarantee obligations covered by the general	No change

	budget of the Union.	budget of the Union.	budget of the Union.	
194	6. Following an assessment of the adequacy of the level of the EFSD Guarantee Fund in accordance with the report provided for under Article 15(3), the following payments shall be made:	6. Following an assessment of the adequacy of the level of the EFSD Guarantee Fund in accordance with the report provided for under Article 15(3), the following payments shall be made:	6. Following an assessment of the adequacy of the level of the EFSD Guarantee Fund in accordance with the report provided for under Article 15(3), the following payments shall be made:	No change
195	(a) any surplus shall be paid to the general budget of the Union;	(a) any surplus shall be paid to the general budget of the Union;	(a) <i>without prejudice to paragraph 8 of this Article</i> , any surplus shall [...] <i>constitute internal assigned revenue in accordance with Article 21(4) of Regulation (EU, Euratom) No 966/2012 to the benefit of Union development cooperation and neighbourhood instruments</i> ;	(a) <i>without prejudice to paragraph 8 of this Article</i> , any surplus shall [...] <i>constitute internal assigned revenue in accordance with Article 21(4) of Regulation (EU, Euratom) No 966/2012 to the benefit of Union development cooperation and neighbourhood instruments</i> ;
196	(b) any replenishment of the EFSD Guarantee Fund shall be paid in annual tranches during a maximum period of 3 years starting from year n+1.	(b) any replenishment of the EFSD Guarantee Fund shall be paid in annual tranches during a maximum period of 3 years starting from year n+1.	(b) any replenishment of the EFSD Guarantee Fund shall be paid in annual tranches during a maximum period of 3 years starting from year n+1.	No change
197	7. From 1 January 2021, if, as a result of calls on the EFSD Guarantee, the level of resources in the Guarantee Fund falls below 50% of the provisioning rate referred to in paragraph 5, the Commission shall submit a report on exceptional measures that may be required to replenish the EFSD Guarantee Fund.	7. From 1 January 2021, if, as a result of calls on the EFSD Guarantee, the level of resources in the Guarantee Fund falls below 50% of the provisioning rate referred to in paragraph 5, the Commission shall submit a report on exceptional measures that may be required to replenish the EFSD Guarantee Fund.	7. From 1 January 2021, if, as a result of calls on the EFSD Guarantee, the level of resources in the Guarantee Fund falls below 50% of the provisioning rate referred to in paragraph 5, the Commission shall submit a report on:	
198			<i>(a) the cause of the shortfall, with detailed explanations; and</i>	<i>(a) the cause of the shortfall, with detailed explanations; and</i>
199			<i>(b) where deemed necessary, any exceptional measures that may be required to replenish the EFSD</i>	<i>(b) where deemed necessary, any exceptional measures that may be required to replenish the EFSD</i>

			Guarantee Fund.	Guarantee Fund.
200	8. After a call on the EFSD Guarantee, endowments to the EFSD Guarantee Fund provided for in points (c), (d) and (e) of paragraph 2 exceeding the resources necessary to reach the provisioning rate at the level referred to in paragraph 5 shall be used within the limits of the initial investment period provided for in Article 7(2) to restore the EFSD Guarantee up to its initial amount.	8. After a call on the EFSD Guarantee, endowments to the EFSD Guarantee Fund provided for in points (c), (d) and (e) of paragraph 2 exceeding the resources necessary to reach the provisioning rate at the level referred to in paragraph 5 shall be used within the limits of the initial investment period provided for in Article 7(2) to restore the EFSD Guarantee up to its initial amount.	8. After a call on the EFSD Guarantee, endowments to the EFSD Guarantee Fund provided for in points (c), (d) and (e) of paragraph 2 exceeding the resources necessary to reach the provisioning rate at the level referred to in paragraph 5 or any surplus provided for in point (a) of paragraph 6 of this Article shall first be used within the limits of the [...] maximum period provided for in [...] Article 7(3) to restore the EFSD Guarantee up to its initial amount.	8. After a call on the EFSD Guarantee, endowments to the EFSD Guarantee Fund provided for in points (c), (d) and (e) of paragraph 2 exceeding the resources necessary to reach the provisioning rate at the level referred to in paragraph 5 or any surplus provided for in point (a) of paragraph 6 of this Article shall first be used within the limits of the [...] maximum period provided for in [...] Article 7(3) to restore the EFSD Guarantee up to its initial amount.
201	Article 14 Funding of the EFSD Guarantee Fund from the general budget of the Union	Article 14 Funding of the EFSD Guarantee Fund from the general budget of the Union	Article 14 Funding of the EFSD Guarantee Fund from the general budget of the Union	No change
202	A contribution of EUR 350 000 000 shall be provided by the general budget of the Union.	A contribution of EUR /350 000 000/ shall be provided by the general budget of the Union.	A contribution of EUR 350 000 000 shall be provided by the general budget of the Union.	No change
203	<p style="text-align: center;">CHAPTER IV</p> <p style="text-align: center;">REPORTING, ACCOUNTING AND EVALUATION</p>			
204	Article 15 Reporting and accounting	Article 15 Reporting and accounting	Article 15 Reporting and accounting	No change
205	1. The Commission shall submit an annual report to the European Parliament and to the Council on the financing and investment operation covered by the EFSD Guarantee. This report shall be made public. It shall include the following elements:	1. The Commission shall submit an annual report to the European Parliament and to the Council on the financing and investment operation covered by the EFSD Guarantee. This report shall be made public. It shall include the following elements:	1. The Commission shall submit an annual report to the European Parliament and to the Council on the financing and investment operation covered by the EFSD Guarantee. This report shall be made public. It shall include the following elements:	No change

206		<i>(a) an assessment of the results contributing to the objectives and purpose of this regulation;</i>		To be further considered at <u>technical level in connection with line 209</u>
207	(a) an assessment of the financing and investment operations in operation and covered by the EFSD Guarantee, sector, country and regional levels and their compliance with this Regulation;	[...] <i>(b) an assessment of the financing and investment operations in operation and covered by the EFSD Guarantee, sector, country and regional levels and their compliance with this Regulation including the risk measures and their impact on the financial and economic stability of the partners;</i>	(a) an assessment of the financing and investment operations in operation and covered by the EFSD Guarantee, sector, country and regional levels and their compliance with this Regulation;	[...] <i>(b) an assessment of the financing and investment operations in operation and covered by the EFSD Guarantee, sector, country and regional levels and their compliance with this Regulation including the risk measures and their impact on the financial and economic stability of the partners;</i>
208	(b) an assessment of the added value, the mobilisation of private sector resources, the estimated and actual outputs and the outcomes and impact of the financing and investment operations covered by the EFSD Guarantee on an aggregated basis, including the impact on employment creation;	[...] <i>(c) an assessment of the [...] additionality, the mobilisation of private sector resources, the estimated and actual outputs and the outcomes and impact of the financing and investment operations covered by the EFSD Guarantee on an aggregated basis, including the impact on [...] decent job creation, climate change, the eradication of poverty and addressing root causes of irregular migration;</i>	(b) an assessment, <i>on the basis of the scoreboard of indicators provided for in Article 8(4a)</i> , of the <i>additionality and</i> added value, the mobilisation of private sector resources, the estimated and actual outputs and the outcomes and impact of the financing and investment operations covered by the EFSD Guarantee on an aggregated basis, including the impact on [...] <i>decent job creation, the eradication of poverty and on the way in which the root causes of migration are addressed, including gender-disaggregated data where possible;</i>	To be further considered at <u>technical level in connection with line 206 and 212</u>
209			<i>(ba) an assessment of the extent to which operations covered by this Regulation contribute to the achievement of the general objectives set out in Article 8(1), in</i>	To be further considered at <u>technical level</u>

			<i>particular the overall contribution to the Sustainable Development Goals of the 2030 Agenda and the share of spending relevant for the fight against climate change and the implementation of the Paris Agreement;</i>	
210	(c) an assessment of the compliance with the requirements concerning the use of the EFSD Guarantee and key performance indicators established for each proposal submitted;	[...] (d) an assessment of the compliance with the requirements concerning the use of the EFSD Guarantee and key performance indicators established for each proposal submitted;	(c) an assessment of the compliance with the requirements concerning the use of the EFSD Guarantee and key performance indicators established for each proposal submitted;	No change
211	(d) an assessment of the leverage effect achieved by the operations covered by the EFSD Guarantee;	[...] (e) an assessment of the leverage effect achieved by the operations covered by the EFSD Guarantee;	(d) an assessment of the leverage effect achieved by the operations covered by the EFSD Guarantee;	No change
212	(e) the financial amount transferred to beneficiaries and an assessment of financing and investment operations by each counterpart on an aggregated basis;	[...] (f) the financial amount transferred to beneficiaries and an assessment of financing and investment operations by each counterpart on an aggregated basis <i>including a gender analysis of the operations covered based on evidence and on sex-disaggregated data;</i>	(e) the financial amount transferred to beneficiaries and an assessment of financing and investment operations by each counterpart on an aggregated basis;	<u>To be further considered at technical level in connection with line 208</u>
213	(f) an assessment of the added value of financing and investment operations of the eligible counterparts, and of the aggregate risk associated with those operations;	[...] (g) an assessment of the [...] <i>additionality</i> of financing and investment operations of the eligible counterparts, and of the aggregate risk associated with those operations;	(f) an assessment of the <i>additionality and</i> added value of financing and investment operations of the eligible counterparts, and of the aggregate risk associated with those operations;	f) an assessment of the <i>additionality and</i> added value of financing and investment operations of the eligible counterparts, and of the aggregate risk associated with those operations;
214	(g) detailed information on calls on the EFSD Guarantee, losses, returns, amounts recovered and any	[...] (h) detailed information on calls on the EFSD Guarantee, losses, returns, amounts recovered	(g) detailed information on calls on the EFSD Guarantee, losses, returns, amounts recovered and any	[...] (h) detailed information on calls on the EFSD Guarantee, losses, returns, amounts recovered

	other payments received;	and any other payments received <i>as well as overall risk exposure</i> ;	other payments received;	and any other payments received <i>as well as overall risk exposure</i> ;
215	(h) the financial reports on financing and investment operations of the eligible counterparts covered by this Regulation audited by an independent external auditor.	[...] <i>(i)</i> the financial reports on financing and investment operations of the eligible counterparts covered by this Regulation audited by an independent external auditor [...];	(h) the financial reports on financing and investment operations of the eligible counterparts covered by this Regulation audited by an independent external auditor[...];	No change
216			<i>(ha) an assessment of the actions developed under the second and third pillars of the EIP and the synergies between them and the operations covered by the EFSD Guarantee, with particular regard to progress made in the fight against corruption and organised crime and illicit financial flows, good governance, the inclusion of local financial markets, the boosting of entrepreneurship as well as local business settings, respect for human rights and the rule of law as well as gender-responsive policies;</i>	<u>To be prepared at technical level for the trilogue on 18 May</u>
217			<i>(hb) an assessment of the compliance of EFSD operations with the internationally agreed development effectiveness principles.</i>	<i>(hb) an assessment of the compliance of EFSD Guarantee operations with the internationally agreed development effectiveness principles.</i>
218		<i>(j) an assessment of the remuneration of the guarantees.</i>		<i>(j) an assessment of the remuneration of the guarantees.</i>
219	2. For the purposes of the Commission's accounting, its reporting of the risks covered by	2. For the purposes of the Commission's accounting, its reporting of the risks covered by	2. For the purposes of the Commission's accounting, its reporting of the risks covered by	No change

	the EFSD Guarantee and its management of the EFSD Guarantee Fund, the eligible counterparts with whom a guarantee agreement has been concluded shall provide the Commission and Court of Auditors annually with the financial reports on financing and investment operations covered by this Regulation audited by an independent external auditor, containing, among other, information on:	the EFSD Guarantee and its management of the EFSD Guarantee Fund, the eligible counterparts with whom a guarantee agreement has been concluded shall provide the Commission and Court of Auditors annually with the financial reports on financing and investment operations covered by this Regulation audited by an independent external auditor, containing, among other, information on:	the EFSD Guarantee and its management of the EFSD Guarantee Fund, the eligible counterparts with whom a guarantee agreement has been concluded shall provide the Commission and Court of Auditors annually with the financial reports on financing and investment operations covered by this Regulation audited by an independent external auditor, containing, among other, information on:	
220	(a) the risk assessment of financing and investment operations of the eligible counterparts including information on the Union liabilities measured in compliance with the accounting rules of the Union set by the accounting officer of the Commission based on the internationally accepted accounting standards for the public sector;	(a) the risk assessment of financing and investment operations of the eligible counterparts including information on the Union liabilities measured in compliance with the accounting rules of the Union set by the accounting officer of the Commission based on the internationally accepted accounting standards for the public sector;	(a) the risk assessment of financing and investment operations of the eligible counterparts including information on the Union liabilities measured in compliance with the accounting rules of the Union set by the accounting officer of the Commission based on the internationally accepted accounting standards for the public sector;	No change
221	(b) the outstanding financial obligation for the Union arising from the EFSD Guarantee provided towards the eligible counterparts and their financing and investment operations, broken down by individual operations.	(b) the outstanding financial obligation for the Union arising from the EFSD Guarantee provided towards the eligible counterparts and their financing and investment operations, broken down by individual operations.	(b) the outstanding financial obligation for the Union arising from the EFSD Guarantee provided towards the eligible counterparts and their financing and investment operations, broken down by individual operations.	No change
222	The Counterparts shall upon request provide to the Commission any additional information necessary to fulfil the Commission's obligations in	The Counterparts shall upon request provide to the Commission any additional information necessary to fulfil the Commission's obligations in	The Counterparts shall upon request provide to the Commission any additional information necessary to fulfil the Commission's obligations in	No change

	relation to this Regulation.	relation to this Regulation.	relation to this Regulation.	
223	3. By 31 March of each year, the Commission shall submit to the European Parliament, to the Council and to the Court of Auditors, in the context of the financial statements of the Commission, the required information on the situation of the EFSD Guarantee Fund. In addition, it shall, by 31 May of each year, submit to the European Parliament, to the Council and to the Court of Auditors an annual report on the management of the EFSD Guarantee Fund in the previous calendar year, including an assessment of the adequacy of the provisioning and the level of the Guarantee Fund and of the need for its replenishment.	3. By 31 March of each year, the Commission shall submit to the European Parliament, to the Council and to the Court of Auditors, in the context of the financial statements of the Commission, the required information on the situation of the EFSD Guarantee Fund. In addition, it shall, by 31 May of each year, submit to the European Parliament, to the Council and to the Court of Auditors an annual report on the management of the EFSD Guarantee Fund in the previous calendar year, including an assessment of the adequacy of the provisioning and the level of the Guarantee Fund and of the need for its replenishment.	3. By 31 March of each year, the Commission shall submit to the European Parliament, to the Council and to the Court of Auditors, in the context of the financial statements of the Commission, the required information on the situation of the EFSD Guarantee Fund. In addition, it shall, by 31 May of each year, submit to the European Parliament, to the Council and to the Court of Auditors an annual report on the management of the EFSD Guarantee Fund in the previous calendar year, including an assessment of the adequacy of the provisioning and the level of the Guarantee Fund and of the need for its replenishment.	No change
224	The annual report shall contain the presentation of the financial position of the EFSD Guarantee Fund at the end of the previous calendar year, the financial flows during the previous calendar year as well as the significant transactions and any relevant information on the financial accounts. The report shall also include information about the financial management, the performance, and the risk of the guarantee fund at the end of the previous calendar year.	The annual report shall contain the presentation of the financial position of the EFSD Guarantee Fund at the end of the previous calendar year, the financial flows during the previous calendar year as well as the significant transactions and any relevant information on the financial accounts. The report shall also include information about the financial management, the performance, and the risk of the guarantee fund at the end of the previous calendar year.	The annual report shall contain the presentation of the financial position of the EFSD Guarantee Fund at the end of the previous calendar year, the financial flows during the previous calendar year as well as the significant transactions and any relevant information on the financial accounts. The report shall also include information about the financial management, the performance, and the risk of the guarantee fund at the end of the previous calendar year.	No change

225	Article 16 Evaluation and review	Article 16 Evaluation and review	Article 16 Evaluation and review	No change
226	1. By 31 December 2020, the Commission shall evaluate the functioning of the EFSD. The Commission shall submit its evaluation report to the European Parliament and the Council, containing an independent evaluation of the application of this Regulation. This report shall be submitted without delay by the Commission in the event that the approved financing and investment operations absorb in full the amount of the EFSD Guarantee available before 30 June 2020.	1. By 31 December [...] 2019 , the Commission shall evaluate the initial functioning of the EFSD. The Commission shall submit its evaluation report to the European Parliament and the Council, containing an external and independent evaluation of the application of this Regulation. This [...] evaluation should assess whether the first operations are in line with the purpose as stipulated in article 3. Taking into account possible recommendations in the report mentioned above, the Commission may submit a legislative proposal.	1. By 31 December [...] 2019 , the Commission shall evaluate the functioning of the EFSD, its management and its effective contribution to the purpose and objectives of this Regulation. The Commission shall submit its evaluation report to the European Parliament and the Council, containing an independent external evaluation of the application of this Regulation [...], accompanied by a reasoned proposal to amend this Regulation, as appropriate, in particular with a view to extending the initial investment period referred to in Article 7(2). That evaluation report shall be accompanied by an opinion of the Court of Auditors.	<u>To be further considered at technical level</u> [CoA opinion subject to consultation with the CoA and harmonisation with lines 227 and 238]
227	2. By 31 December 2020 and every three years thereafter, the Commission shall evaluate the use of the EFSD Guarantee Fund. The Commission shall submit its evaluation report to the European Parliament and the Council. That evaluation report shall be accompanied by an opinion of the Court of Auditors.	2. By 31 December [...] 2019 and every [...] two years thereafter, the Commission shall evaluate the use of the EFSD Guarantee Fund. The Commission shall submit its evaluation report to the European Parliament and the Council. That evaluation report shall be accompanied by an opinion of the Court of Auditors.	2. By 31 December [...] 2019 and every three years thereafter, the Commission shall evaluate the use and the functioning of the EFSD Guarantee Fund. The Commission shall submit its evaluation report to the European Parliament and the Council. That evaluation report shall be accompanied by an opinion of the Court of Auditors on the management of the EFSD Guarantee Fund and the effectiveness and additionality of EFSD operations. Where	<u>To be further considered at technical level</u> [Subject to harmonisation with lines 226 and 238]

			<i>adjustments to the EFSD Guarantee Fund are deemed necessary or in the event that the EFSD Guarantee Fund is extended beyond 2020, that evaluation report shall be accompanied by a legislative proposal to amend this Regulation accordingly.</i>	
228	<p style="text-align: center;">CHAPTER V</p> <p style="text-align: center;">GENERAL PROVISIONS</p>			
229	Article 17 Transparency and public disclosure of information	Article 17 Transparency and public disclosure of information	Article 17 Transparency, communication , and public disclosure of information	<u>To be discussed at trilogue on 10 May</u>
230	In accordance with its transparency policies and general Union principles on access to documents and information, the eligible counterparts shall make publicly available on their websites information relating to all financing and investment operations covered by the EFSD Guarantee under this Regulation, relating in particular to the manner in which those operations contribute to the requirements of this Regulation.	In accordance with its transparency policies and general Union principles on access to documents and information, the eligible counterparts shall make publicly available on their websites information relating to all financing and investment operations covered by the EFSD Guarantee under this Regulation, relating in particular to the manner in which those operations contribute to the [...] objectives and purpose of this Regulation.	1. In accordance with its transparency policies and Union [...] rules on access to documents and information and data protection , the eligible counterparts shall proactively and systematically make publicly available on their websites information relating to all financing and investment operations covered by the EFSD Guarantee under this Regulation, relating in particular to the manner in which those operations contribute to the objectives and requirements of this Regulation. Where possible, such information shall be broken down at project level. Such information shall always take into account the protection of confidential and commercially sensitive information.	<u>To be discussed at trilogue on 10 May</u>

231			<i>2. The Commission shall publish on its web-portal information on financing and investment operations and the essential elements of all guarantee agreements, including information on the legal identity of counterparts, expected development benefits and complaints procedures in accordance with point (ea) of Article 12(3).</i>	To be discussed at trilogue on 10 May [COM: wording on complaints procedure to be discussed, request the addition of “ <u>taking into account possible banking law restrictions as well as commercially sensitive information</u> ”.]
232			<i>3. Eligible counterparts shall publicise the Union support in all information which they publish on financing and investment operations covered by the EFSD guarantee in accordance with this Regulation.</i>	<i>3. Eligible counterparts shall publicise the Union support in all information which they publish on financing and investment operations covered by the EFSD guarantee in accordance with this Regulation.</i>
233			<i>4. European Union delegations shall include information about funding opportunities provided by the EFSD in their communication targeted at civil society and the public at large.</i>	<i>4. European Union delegations shall include information about funding opportunities provided by the EFSD in their communication targeted at civil society and the public at large.</i>
234			<i>Article 17a Grievance and redress mechanism</i>	To be discussed at trilogue on 10 May
			<i>The Commission shall establish a Union centralised grievance mechanism for all EFSD-supported projects. Stakeholders affected by EFSD operations and stakeholders dissatisfied with how their complaints are addressed by the grievance mechanisms of</i>	To be discussed at trilogue on 10 May

			<i>EFSD counterparts shall be able to directly contact the Union grievance mechanism.</i>	
235	Article 18 Auditing by the Court of Auditors	Article 18 Auditing by the Court of Auditors	Article 18 Auditing by the Court of Auditors	Article 18 Auditing by the Court of Auditors
236	1. The external audit of the activities undertaken in accordance with this Regulation shall be carried out by the Court of Auditors in accordance with Article 287 of the Treaty on the Functioning of the European Union (TFEU).	1. The external audit of the activities undertaken in accordance with this Regulation shall be carried out by the Court of Auditors in accordance with Article 287 of the Treaty on the Functioning of the European Union (TFEU).	1. The external audit of the activities undertaken in accordance with this Regulation shall be carried out by the Court of Auditors in accordance with Article 287 of the Treaty on the Functioning of the European Union (TFEU) <i>and the activities are thus subject to the discharge procedure in accordance with Article 319 TFEU.</i>	<u>To be further considered at technical level</u>
237	2. For the purpose of paragraph 1 of this Article, the Court of Auditors shall, at its request and in accordance with Article 287(3) TFEU, be granted access to any document or information necessary to carry out its task.	2. For the purpose of paragraph 1 of this Article, the Court of Auditors shall, at its request and in accordance with Article 287(3) TFEU, be granted access to any document or information necessary to carry out its task.	2. For the purpose of paragraph 1 of this Article, the Court of Auditors shall, at its request and in accordance with Article 287(3) TFEU, be granted access to any document or information necessary to carry out its [...] <i>auditing tasks.</i>	<u>To be further considered at technical level</u>
238			<i>2a. By 30 June 2020 and every three years thereafter, the Court of Auditors shall publish a special report on the use of the EFSD Guarantee Fund and on the efficiency and effectiveness of the EFSD.</i>	<u>To be further considered at technical level</u> [Subject to harmonisation with lines 226 and 227]
239	Article 19 Anti-fraud measures	Article 19 Anti-fraud measures	Article 19 Anti-fraud measures	
240	1. The Commission or the eligible counterparts shall notify the European Anti-Fraud Office (OLAF) promptly and provide it	1. The Commission or the eligible counterparts shall notify the European Anti-Fraud Office (OLAF) promptly and provide it	1. [...] <i>If</i> , at any stage of the preparation, implementation or closure of financing and investment operations covered by this	<u>To be further considered at technical level</u>

	with the necessary information when, at any stage of the preparation, implementation or closure of financing and investment operations covered by this Regulation, they have grounds for suspecting fraud, corruption, money laundering or any other illegal activity that may affect the financial interests of the Union.	with the necessary information when, at any stage of the preparation, implementation or closure of financing and investment operations covered by this Regulation, they have grounds for suspecting fraud, corruption, money laundering or any other illegal activity that may affect the financial interests of the Union.	Regulation, [...] <i>the Commission or the eligible counterparts</i> have grounds for suspecting fraud, corruption, embezzlement , money laundering or any other illegal activity that may affect the financial interests of the Union, <i>they shall immediately notify the European Anti-Fraud Office (OLAF) and provide it with all necessary information to enable a full and thorough investigation to be carried out.</i>	
241	2. OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council, Council Regulation (Euratom, EC) No 2185/96 and Council Regulation (EC, Euratom) No 2988/95 in order to protect the financial interests of the Union, with a view to establishing whether there has been fraud, corruption, money laundering or any other illegal activity affecting the financial interests of the Union in connection with any financing and investment operations covered by this Regulation. OLAF may transmit any information obtained in the course of its investigations to the competent authorities of the	2. OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council, Council Regulation (Euratom, EC) No 2185/96 and Council Regulation (EC, Euratom) No 2988/95 in order to protect the financial interests of the Union, with a view to establishing whether there has been fraud, corruption, money laundering or any other illegal activity affecting the financial interests of the Union in connection with any financing and investment operations covered by this Regulation. OLAF may transmit any information obtained in the course of its investigations to the competent authorities of the	[...] OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council, Council Regulation (Euratom, EC) No 2185/96 and Council Regulation (EC, Euratom) No 2988/95 in order to protect the financial interests of the Union, with a view to establishing whether there has been fraud, corruption, embezzlement , money laundering, financing of terrorism, tax fraud and tax evasion , or any other illegal activity affecting the financial interests of the Union in connection with any financing and investment operations covered by this Regulation. OLAF may transmit any information obtained	<u>To be further considered at technical level</u>

	Member States concerned.	Member States concerned.	in the course of its investigations to the competent authorities of the Member States concerned.	
242	Where such illegal activities are proven, the eligible counterparts shall undertake recovery efforts with respect to its financing and investment operations covered by this Regulation that are concerned by such activities.	Where such illegal activities are proven, the eligible counterparts shall undertake recovery efforts with respect to its financing and investment operations covered by this Regulation that are concerned by such activities.	Where such illegal activities are proven, the eligible counterparts shall undertake recovery efforts with respect to its financing and investment operations covered by this Regulation that are concerned by such activities, and shall also provide to the relevant authorities all information needed for investigation and possible prosecution.	<u>To be further considered at technical level</u>
243	Article 20 Excluded activities and non-cooperative jurisdictions	Article 20 Excluded activities and non-cooperative jurisdictions	Article 20 Excluded activities and non-cooperative jurisdictions	No change
244	1. In their financing and investment operations, the eligible counterparts shall not support any activities carried out for illegal purposes, including money laundering, terrorist financing, organised crime, tax fraud and tax evasion, corruption, and fraud affecting the financial interests of the Union. The eligible counterparts shall not participate in any financing or investment operation through a vehicle located in a non-cooperative jurisdiction, in accordance with its policy towards weakly regulated or non-cooperative jurisdictions based on policies of the Union, the Organisation for Economic Co-	1. In their financing and investment operations, the eligible counterparts shall not support any activities carried out for illegal purposes, including money laundering, terrorist financing, organised crime, tax fraud and tax evasion, corruption, and fraud affecting the financial interests of the Union as well as any activities carried out by persons, entities or bodies subject to EU restrictive measures. The eligible counterparts shall not participate in any financing or investment operation through a vehicle located in a non-cooperative jurisdiction, in accordance with its policy towards weakly regulated or non-	1. In their financing and investment operations, the eligible counterparts shall not support any activities carried out for illegal purposes, including, but not limited to, money laundering, terrorist financing, organised crime, tax fraud and tax evasion, corruption, [...] fraud or other activities affecting the financial interests of the Union. In particular, the eligible counterparts shall [...] neither participate in any financing or investment operation through a vehicle located in a [...] jurisdiction [...] that does not cooperate with the Union in relation to the application of the internationally agreed tax standards on	<u>To be prepared at technical level for the trilogue on 18 May</u>

	operation and Development or the Financial Action Task Force.	cooperative jurisdictions based on policies of the Union, the Organisation for Economic Co-operation and Development or the Financial Action Task Force.	<i>transparency and the exchange of information nor maintain business relations with entities established in such a jurisdiction. In their financing and investment operations covered by this Regulation, the eligible counterparts shall not make use of or engage in tax avoidance structures, in particular aggressive tax planning schemes, or practices that do not comply with Union tax good governance principles, as set out in Union law, including Commission recommendations and communications. When concluding agreements with financial intermediaries, the eligible counterparts shall transpose the requirements referred to in this paragraph in the relevant contracts and shall request country-by-country reporting concerning their observance.</i>	
245	2. In its financing and investment operations, the eligible counterpart shall apply the principles and standards set out in Union law on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and in particular Regulation (EU) 2015/847 of the European Parliament and of the Council and Directive (EU)	2. In its financing and investment operations, the eligible counterpart shall apply the principles and standards set out in Union law on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and in particular Regulation (EU) 2015/847 of the European Parliament and of the Council and Directive (EU)	2. In its financing and investment operations, the eligible counterpart shall apply the principles and standards set out in Union law on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and in particular Regulation (EU) 2015/847 of the European Parliament and of the Council and Directive (EU)	<u>To be prepared at technical level for the trilogue on 18 May</u>

	2015/849 of the European Parliament and of the Council. The eligible counterparts shall make both direct funding and funding via intermediaries under this Regulation contingent upon the disclosure of beneficial ownership information in accordance with Directive (EU) 2015/849.	2015/849 of the European Parliament and of the Council. The eligible counterparts shall make both direct funding and funding via intermediaries under this Regulation contingent upon the disclosure of beneficial ownership information in accordance with Directive (EU) 2015/849.	2015/849 of the European Parliament and of the Council. The eligible counterparts shall make both direct funding and funding via intermediaries under this Regulation contingent upon the disclosure of beneficial ownership information in accordance with Directive (EU) 2015/849 <i>(the EU Anti-Money Laundering Directive)</i> and publish country-by-country reporting data in accordance with Article 89(1) of Directive 2013/36/EU of the European Parliament and of the Council.	
246			Article 20a Exercise of the delegation	[Depends on the outcome of negotiations on geographical scope/investment windows]
247			1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.	[Depends on the outcome of negotiations on geographical scope/investment windows]
248			2. The power to adopt delegated acts referred to in Articles 6 and 8 shall be conferred on the Commission from the date of entry into force of this Regulation until 31 December 2020.	[Depends on the outcome of negotiations on geographical scope/investment windows]
249			3. The delegation of power referred to in Articles 6 and 8 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It	[Depends on the outcome of negotiations on geographical scope/investment windows]

			<i>shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.</i>	
250			<i>4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.</i>	[Depends on the outcome of negotiations on geographical scope/investment windows]
251			<i>5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.</i>	[Depends on the outcome of negotiations on geographical scope/investment windows]
252			<i>6. A delegated act adopted pursuant to Articles 6 and 8 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.</i>	[Depends on the outcome of negotiations on geographical scope/investment windows]
253	CHAPTER VI			

	FINAL PROVISIONS			
254	Article 21 Entry into force	Article 21 Entry into force	Article 21 Entry into force	No change
255	This Regulation shall enter into force on the twentieth day following that of its publication in the <i>Official Journal of the European Union</i> .	This Regulation shall enter into force on the twentieth day following that of its publication in the <i>Official Journal of the European Union</i> .	This Regulation shall enter into force on the twentieth day following that of its publication in the <i>Official Journal of the European Union</i> .	No change
256	This Regulation shall be binding in its entirety and directly applicable in all Member States.	This Regulation shall be binding in its entirety and directly applicable in all Member States.	This Regulation shall be binding in its entirety and directly applicable in all Member States.	No change
257			ANNEX	
258			<i>Regions eligible for support through the EFSD Guarantee:</i>	[Depends on the outcome of negotiations on geographical scope]
259			<i>– Africa, encompassing the African countries that are signatories of the Cotonou Partnership Agreement;</i>	[Depends on the outcome of negotiations on geographical scope]
260			<i>– Neighbourhood partner countries, as listed in Annex I to Regulation (EU) No 232/2014 of the European Parliament and of the Council.</i>	[Depends on the outcome of negotiations on geographical scope]